

## § 304.21

(b) The amount of an SEA's grant under this part for a State other than an Insular Area is determined by—

(1) Dividing the number of children with disabilities in that State by the total number of children with disabilities in all States submitting approvable applications under this part; and

(2) Multiplying that fraction by the amount of funds available for grants under this part minus the amount reserved under paragraphs (c) and (d) of this section.

(c) The Secretary reserves up to one-half of one percent of the aggregate of the amounts available under this part for grants to Insular Areas. Funds reserved by the Secretary for the Insular Areas are allocated proportionately among them on the basis of the number of children ages three through twenty-one in each Insular Area. However, no Insular Area may receive less than \$15,000, and allocations within these jurisdictions are ratably reduced, if necessary, to ensure that each Insular Area receives at least that amount. Allocations within these jurisdictions are further ratably reduced if the amount reserved is insufficient to provide \$15,000 to each Insular Area.

(d) From any appropriation enacted after September 30, 1986, the Secretary reserves up to 1.25 percent of the aggregate amount available under this part for a grant to the Secretary of the Interior to be used on reservations served by schools operated for Indian children by the Department of the Interior.

(Authority: 20 U.S.C. 1406)

[50 FR 29330, July 18, 1985, as amended at 53 FR 6945, Mar. 3, 1988; 56 FR 54689, Oct. 22, 1991]

## § 304.21 Reallocation of excess funds.

The Secretary may reallocate funds—or portions of those funds—made available to the Secretary of the Interior or to a State educational agency under this part if the Secretary determines that the Secretary of the Interior or the State educational agency cannot use the funds in a manner consistent with the requirements of applicable statutes and the regulations in this part. Any reallocation is made on the

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same basis as grants are determined under § 304.20.

(Authority: 20 U.S.C. 1406)

[53 FR 6945, Mar. 3, 1988]

## §§ 304.22—304.29 [Reserved]

## Subpart D—How Does an LEA or IEU Apply to an SEA for a Subgrant?

### § 304.30 Submission of an application to the SEA.

In order to receive funds under this part for any fiscal year, an LEA or IEU shall submit an application for a subgrant to the appropriate SEA.

(Authority: 20 U.S.C. 1406, 3474(a))

### § 304.31 LEA and IEU applications.

An LEA or IEU shall include in its application any information that is required by the SEA in order to fulfill its responsibilities under this part.

(Authority: 20 U.S.C. 1406, 3474(a))

## §§ 304.32—304.39 [Reserved]

## Subpart E—How Does an SEA Make a Subgrant?

### § 304.40 Amount of a subgrant to an LEA or IEU.

(a) The SEA shall determine the amount of a subgrant to an LEA or IEU based on—

(1) The size, scope, and quality of the proposed project; and

(2) Any other relevant criteria developed by the SEA and included in the SEA application approved by the Secretary.

(b) The SEA may establish minimum and maximum amounts for subgrants.

(Authority: 20 U.S.C. 1406)

### § 304.41 Reallocation of excess funds.

(a) The SEA may reallocate funds provided for subgrants under this part if an LEA or IEU cannot use the funds in a manner consistent with the requirements of section 607 of the Individuals with Disabilities Education Act and the requirements in this part.